

HORNBLOWER & WEEKS, INC.

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THE THE OF MARKET REGULATION

September 8, 1999

Ms Lyn Kelly NASDR, Inc. Y2K Program Office 15201 Diamondback Drive Rockville, Md. 20850

RE: BD#004683, Hornblower & Weeks, Inc. (Y2K Compliance)

Dear Ms. Kelly:

Per our telephone conversation of last week, we are writing this letter to give you an update on our Y2K preparedness.

In the Broker-Dealer-Year 2000 Report dated April 29, 1999, we indicated an expected completion date of July 31, 1999 on questions numbered 7b,c,e & g. 8b,c,e & g. In preparing this report, we anticipated moving our offices during the last week of June, 1999. Due to construction and communication delays, our move was postponed until the last week of July, 1999, thus setting back our efforts to replace non-compliant computer hardware and software.

We are currently working with our computer services vendor to rectify the situation and we expect to be completely Y2K compliant by September 30, 1999.

We will contact you at the end of the month to confirm that we have completed our efforts regarding the above.

Thank you for your consideration and your ongoing help and advice.

Sincerely,

Jack Lubitz FINOP

cc: Securities & Exchange Commission >

Division of Market Regulation

450 Fifth Street, N.W. Washington, D.C. 20549 Attn: Y2K Compliance